

Challenges faced in service recovery paradox business essay



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The present key business strategy eyes on keeping the current customers and developing relationships with the new ones (Piercy, 1995).. Providing services to the customers or the consumers is very difficult. Unfortunately the services provided to the customers can never be perfect, the failure can be due to unprompted employee actions, failure to respond to specific customer needs or also due to core service facilities (Bitner et al., 1990). hence the companies try their best to reduce the mistakes from repeating again and in satisfying the customers needs. This essay discusses about the “ service recovery paradox” steps that is being followed by the organizations to recover from their service failures.

According to McCollough and Bharadwaj 2002, service recovery paradox can be said as the situation at which the customers post failure expectations exceed pre failure expectations. This is like the organization taking preventive steps to satisfy their customers by reducing their failures and also in not repeating the failures again in the future. But sometimes small failures that are neglected by the company to be corrected can result in loss of the customers switching to other alternative for their expected services. In order to improve themselves the companies engage themselves in service recovery by complaints handling or by proactively soliciting inputs (Sparks et al. 2001). Also according to Hart et al. (1990, p. 148) “ A good recovery can turn angry, frustrated customers into loyal ones. It can, in fact, create more goodwill than if things had gone smoothly in the first place” (Sparks et al. 2001).

There are three theories that provide a theoretical foundation for the recovery paradox. We will be discussing about these three theories in the <https://assignbuster.com/challenges-faced-in-service-recovery-paradox-business-essay/>

following paragraphs. The first theoretical support for the service recovery paradox is the expectancy disconfirmation paradigm. In this theory the customer judges the expectations of the services provided to them in comparison to the actual service provided to them, this expectation by the customer serves as a benchmark for the organization (Magnini et al., 2007).. If the customer has received an excellent recovery strategy then the positive disconfirmation occurs resulting in a heightened post satisfaction state (Magnini et al., 2007).

The script theory is the second theory for the theoretical justification support of service recovery paradox. According to this theory customer comes along with an idea of the services provided and regular processes in the company, this knowledge of customer's idea in his or her brain is called script. This gives routine steps of services and roles of the employees and the customer of the expected sequence of events and behavior (Magnini et al., 2007).. But service failures occur when ever there is deviation from the actual transactional script. Due to this failure the customer gets inconvenienced and uncomfortable and this dissatisfaction affects overall and the customer goes for other option.

The final and the third theory is the commitment -trust theory by Morgan and Hunt's (1994). This theory states that if a service recovery is done to the customer it has a direct impact on the trust the customer has on the company and it also states that effective failure recovery and the relationship marketing are linked closely in terms of their focus on customer satisfaction, trust and commitment. Due to the trust built by the company the customer has full confidence on the company's honesty and integrity in <https://assignbuster.com/challenges-faced-in-service-recovery-paradox-business-essay/>

correcting their errors. as said by Morgan and Hunt “ trust is an integral component in the development of marketing relationships and exists when one party has confidence in another’s reliability and integrity” (Magnini et al., 2007).

Customers who have lodged a complaint regarding the service failure are worried about their fairness from the company to them. So therefore the recovery establishment by the company needs to do justice in the favor of the customers prospective. Distributive justice, Procedural justice and Interactional justice are three justice theories in which the customers evaluate the service encounters (Sparks et all. 2001). This can be explained as if a customer has an bad service outcome from the company , even the improvement of the companies policies might not attract the customer from opting the company again. Hence som why there should be a very care concerned during the recovery process likewise few customers are satisfied with the services of the company if they experience less failures. The service recovery plans of the company should be very much beneficial to the customers so that they are satisfied and should not look for other options of shifting from our company to the other company. (Cunha, et all. (2009).

The distributive theory can be said as the outcome of the company reaction for the recovery situation and it focuses on the fair outcome. The outcome of this justice depends on the customers actions(Sparks et all. 2001).

Procedural justice main focus is on how speed the mistake was resolved and handled and is also defined as consistent, unbiased and impartial customer policies. The last justice theory is the international justice in which the main focus in on treatment of customer during the process of the recovery and it <https://assignbuster.com/challenges-faced-in-service-recovery-paradox-business-essay/>

is defined as the truthfulness, a reasonable explanation, politeness, empathy and apology. In an summarized way these three can be said as, the procedural justice involves pre-existing organizational steps and both distributive and interactional justice involves what is done and how it is done.

The service recovery requires the flexibility and clearness from the service providers side and these errors are sometimes incompatible with “ by the book” type of answers to be solved. Improvisation helps the service providers to make and apply decisions. There may be cases where the firms recovery process to compensate the customers loss may not be satisfactory. If the damage is beyond the reach of the company there raises a situation where the customer needs to wait a long time for solution. As said by (Sparks and McColl-Kennedy, 2001) it is easier to select customized outcomes (distributive justice), and to behave with respect and sensitivity, and recover the service provider-customer relationship (interactional justice); and . without the accomplishment of these justice requirements, procedural justice may not be enough to recover the service provider-customer relationship and, worse still, it may even worsen it.

Service failures in an organization are unavoidable and happen in each and every organization but the steps taken by the company to avoid those increases the customer loyalty. As said by Hart et all(1990), companies should complement their production-oriented systems with comfort in dealing with expectations. This steps taken by the organization reflects the

future company growth and revenue. The complaint handling form the customer should be focused mostly on the primary outcome and then the process secondly. In the service recovery process the fairness of the outcome is more important than the disconfirmation of outlook. The customers who are not satisfied with the services expect the company to make them happy either by explaining the reason for the failure or by apology. In short the customer expects the company to be responsible for the failure and to solve it. Keeping the customer point in view the reaction at times when speedy recovery is needed is very important. The front personnel must have an authority to take decision that is fair and loyal that results in the service recovery to the customer during the speedy recovery needed situations. if the recovery takes more time then the reason for the delay has to be explained to the customer. From the above discussion we can see that there are several managerial consequence decisions that can be derived. the first finding in the evaluation is the training of the employees in increasing their ability and confidence improve the service recovery. So the managers need to see that the best service providers become the part of the team. The second finding is the increase of the service recovery function woth in the company i. e increasing the managerial status as a head of the recovery team. the managers should be able to find out what , when and how the failure has developed. the managerial function is not only to improve the employees confidence but he also needs to invite customers to improvise by making them feel that they have some control over the recovery process.(test 9). Finally the companies must be able to think the customers are honest and legit rather than thinking that the customer is dishonest which results in driving out the customers.

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The conclusion of the service recovery paradox suggests that failures are unpredictable in any service organization. It is during this period the recovery process adopted by the company is very important in improving the customer satisfaction and in loyalty of the company towards the customer.

This also results in increasing the customers trust on the company.

Concluding the essay saying that organizations need to implement the service recovery paradox to recover their customers with providing training to the employee from the starting because a recovery failure avoided may be an start point to the depletion of the company.